



ALTAIR
WEALTH GUIDANCE FOR LIFE

2020 Fall Investment Forum

Day Two

Thursday, November 12, 2020

10 AM – 11:45 AM CST

Market Update

2020 Year in Review

Jason Laurie
Chief Investment Officer
Altair Advisers



Market Timeline

January 1, 2020 – November 9, 2020



A Bridge to Recovery



See disclosures at end of document. Sources: Noah Kroese Illustrations for Altair Advisers

A Spooky Stretch



See disclosures at end of document. Sources: Noah Kroese Illustrations for Altair Advisers

2020

Market Perspective

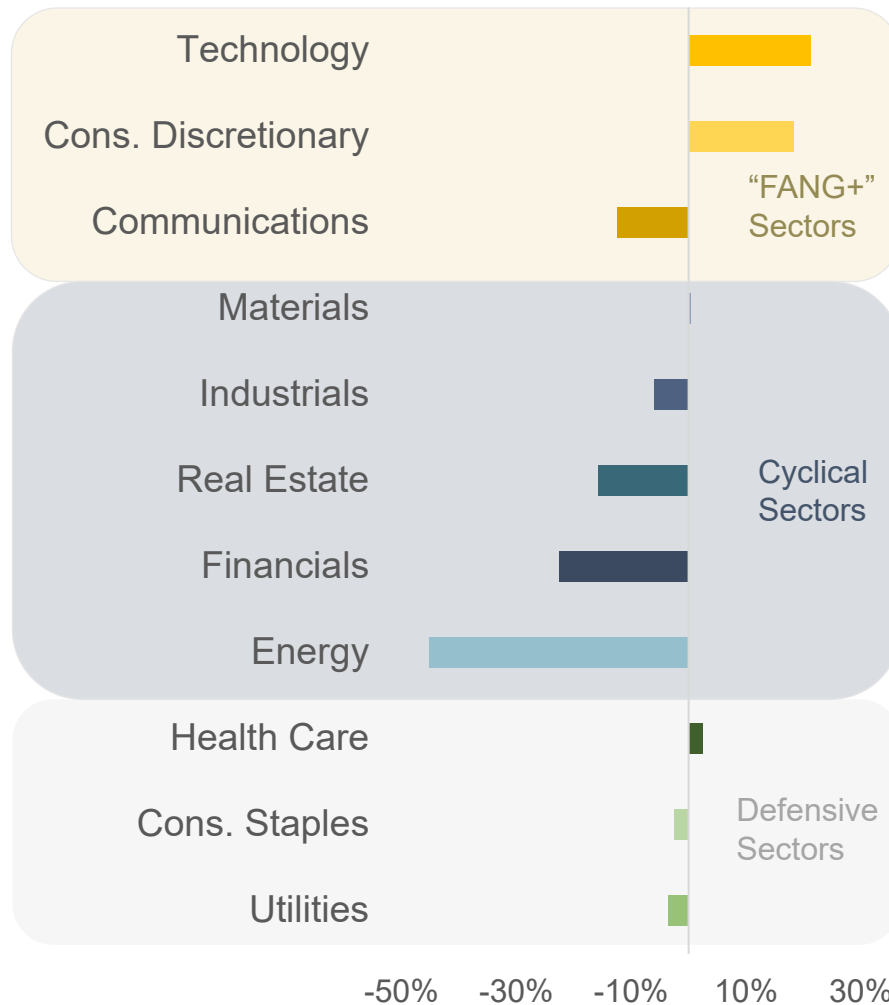
Select Market Returns

Markets	YTD Return (%)
iShares Core S&P 500 (large cap)	11.6
Russell 1000 Growth ETF (large growth)	28.8
Russell 1000 Value ETF (large value)	-4.3
iShares Russell 2000 (small cap)	3.3
iShares MSCI EAFE (international)	-1.2
iShares MSCI EM (emerging markets)	8.5
Vanguard REIT Index Fund (real estate)	-8.7
Vanguard Global ex-US REIT Index Fund (real estate)	-13.3
Vanguard Total Bond Market ETF (taxable)	6.7
Market Vectors Sh/Inter Muni ETF (municipal)	3.0

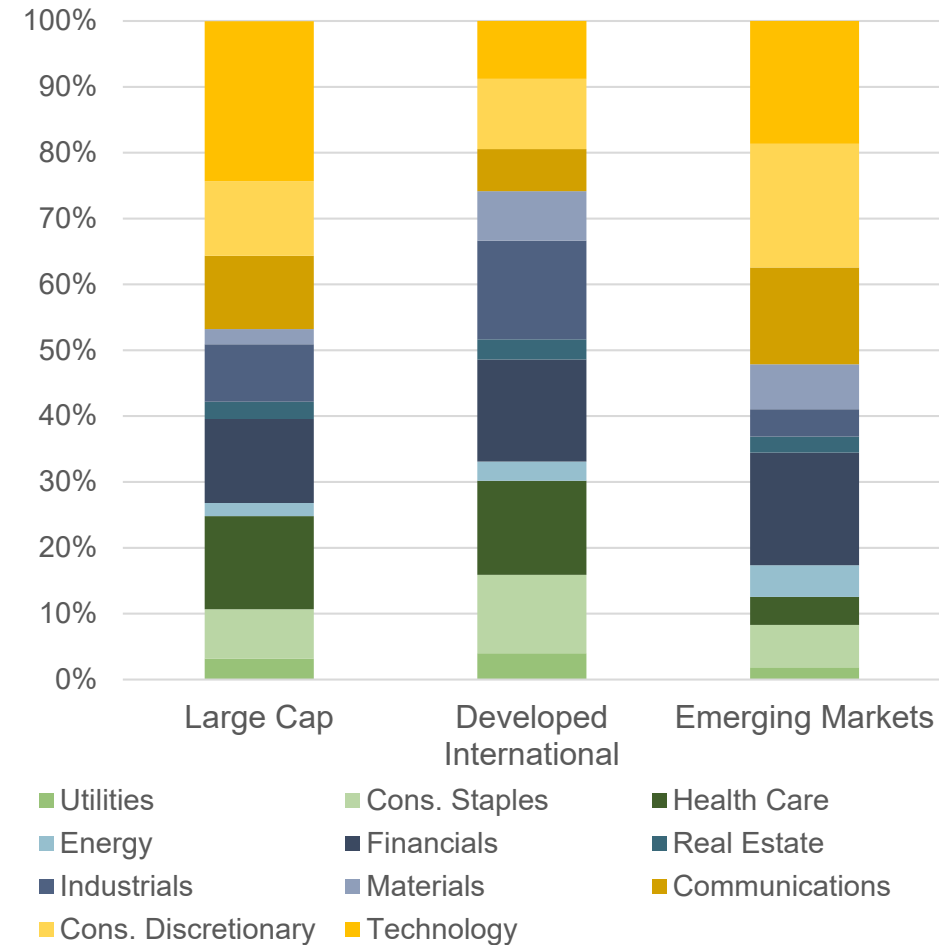
As of November 9, 2020

Tech Drives Growth Stocks' Dominance

Global Sector Performance
Year-to-Date 2020













Tech Concentration Drives U.S. and EM
Sector Weightings of Geographic Indices



Index weights as of 10/31/2020








Haves...

	Benefiting Industries	Year-to-Date Performance		
Remote Working 	Software	+30.0%		
	Data Centers	+22.6%		
E-Commerce 	Internet & Direct Marketing Retail	+54.1%		 
	Air Freight & Logistics	+40.3%		
Restricted Travel 	Building Products	+13.5%		
	Household Durables	+9.1%		

As of 10/31/2020

See disclosures at end of document. Sources: NAREIT, Fidelity, Altair Advisers

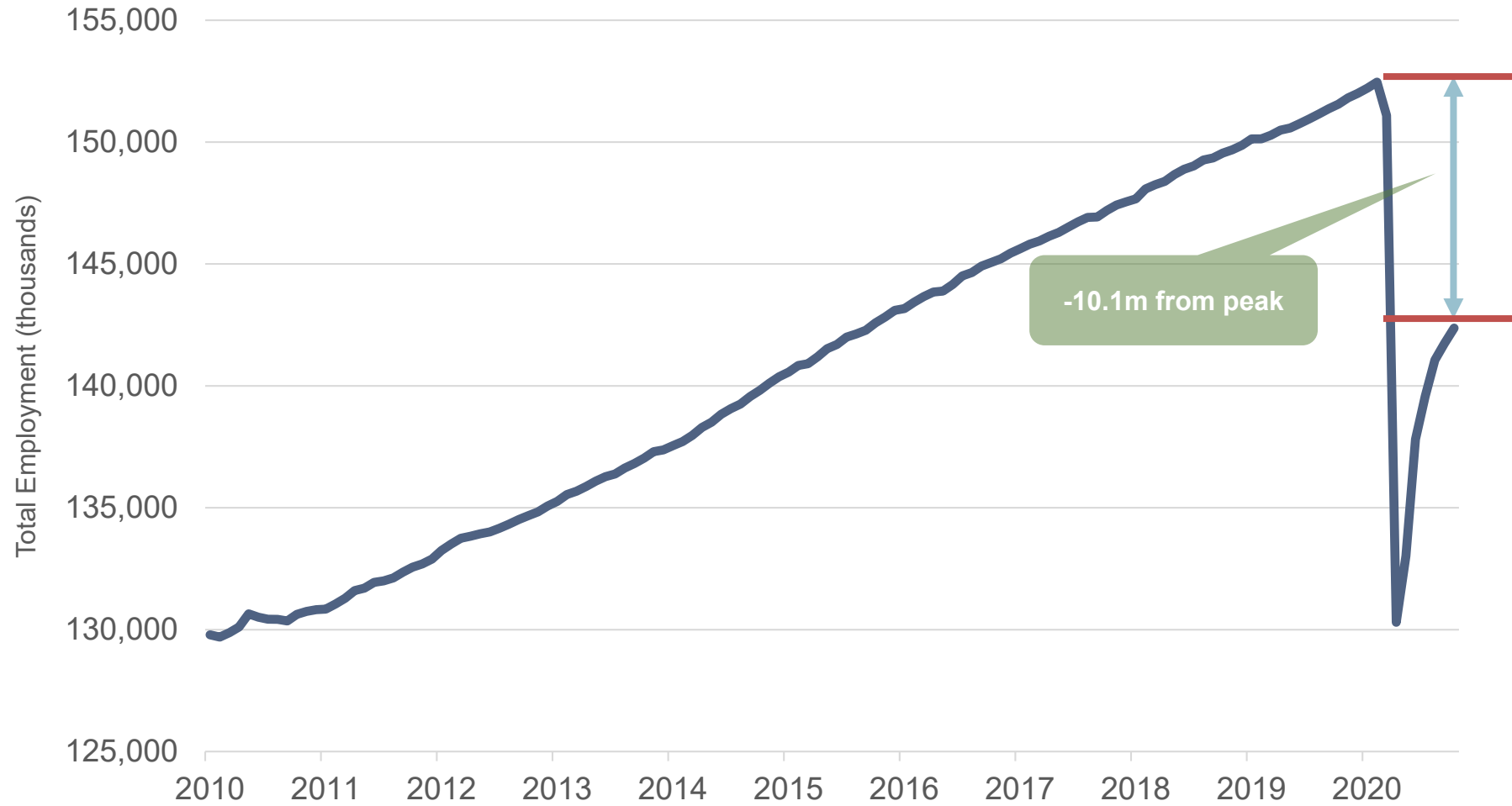
...and Have Nots

	Impacted Industries	Year-to-Date Performance	
Remote Working 	Oil, Gas, & Consumable Fuels Office	-51.8% -36.0%	ExxonMobil 
E-Commerce 	Regional Malls	-54.1%	
Restricted Travel 	Airlines Hotel, Restaurants, & Leisure	-46.2% -13.3%	 

As of 10/31/2020

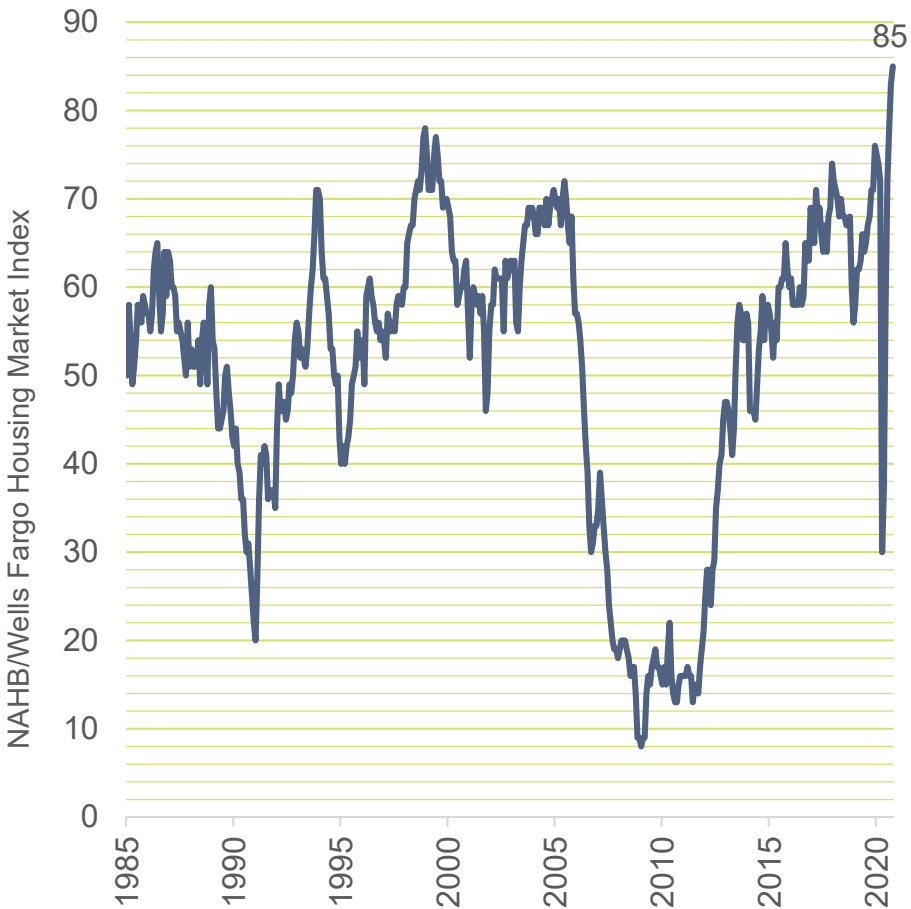
See disclosures at end of document. Sources: NAREIT, Fidelity, Altair Advisers

Employment Far Below Peak

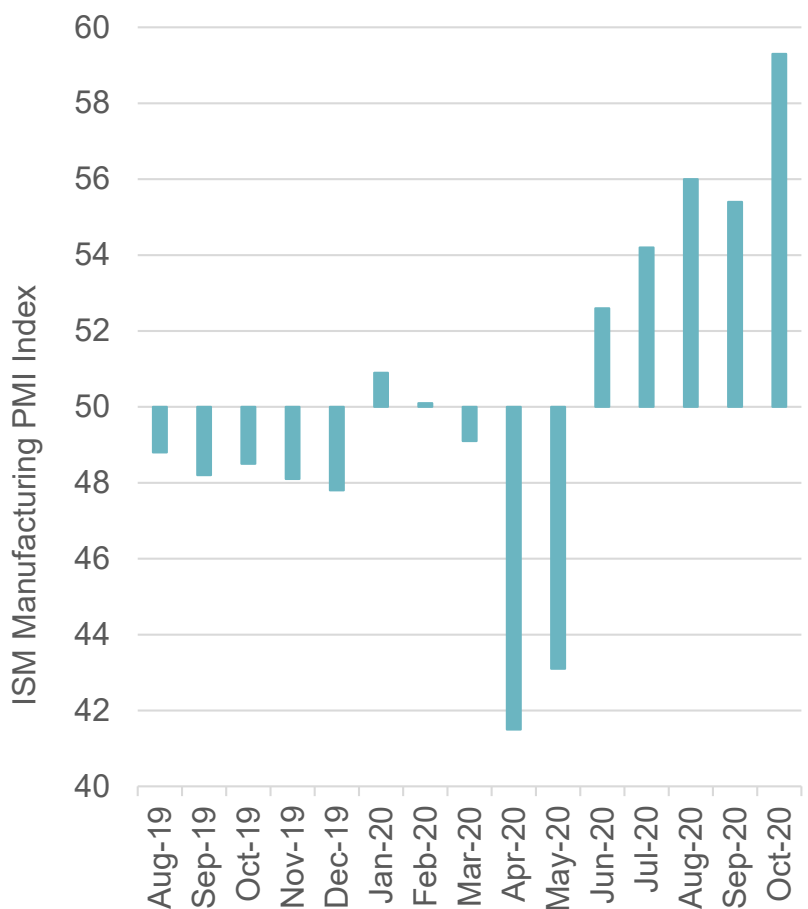


Bounceback In Housing & Manufacturing

Homebuilder Sentiment Hits Record in October



Manufacturing Shows Resurgence



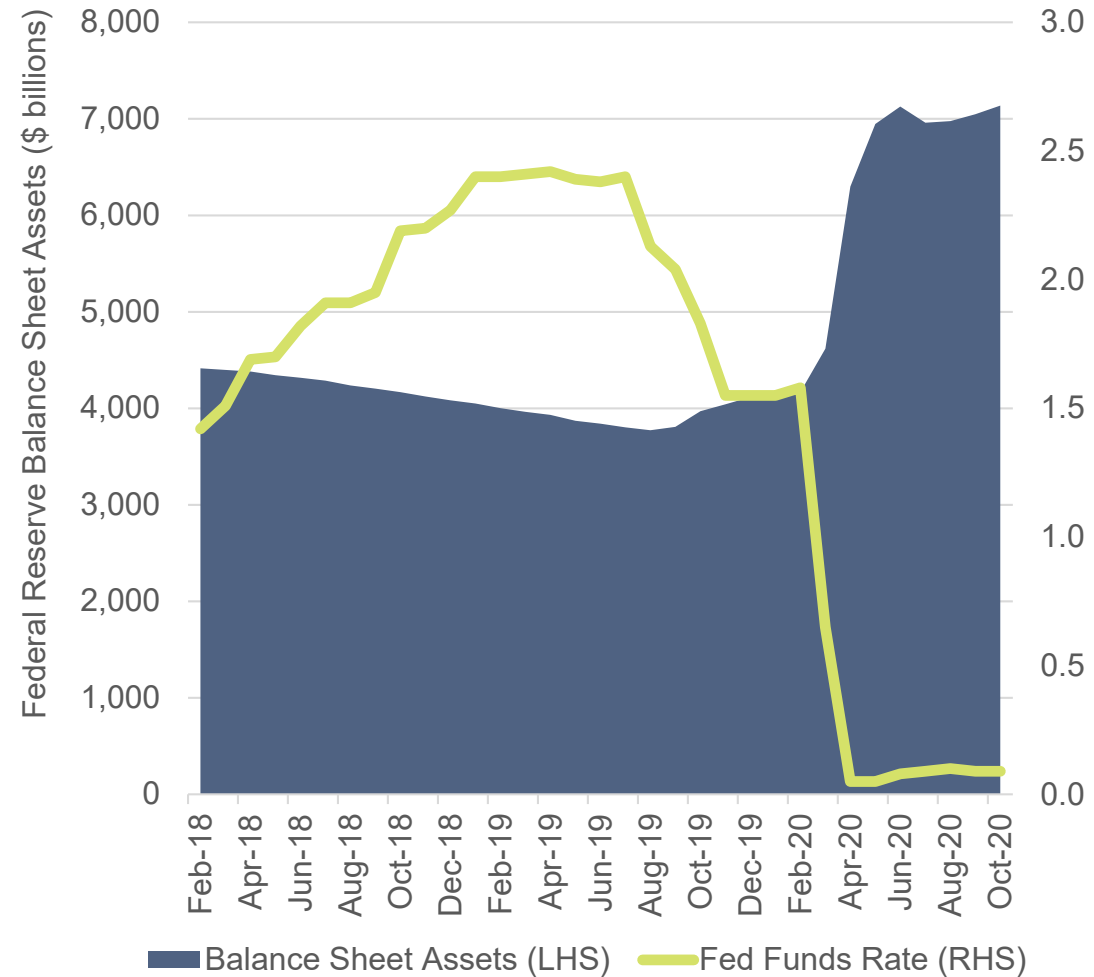
Fed's 'Unlimited' Pledge Remains

“Since the beginning of the pandemic, we have taken forceful actions to provide relief and stability, to ensure that the recovery will be as strong as possible, and to limit lasting damage to the economy.”

“Is monetary policy out of power or out of ammo? The answer to that would be ‘no’.”

*Jerome Powell,
Federal Reserve
Chairman*

November 5th, 2020



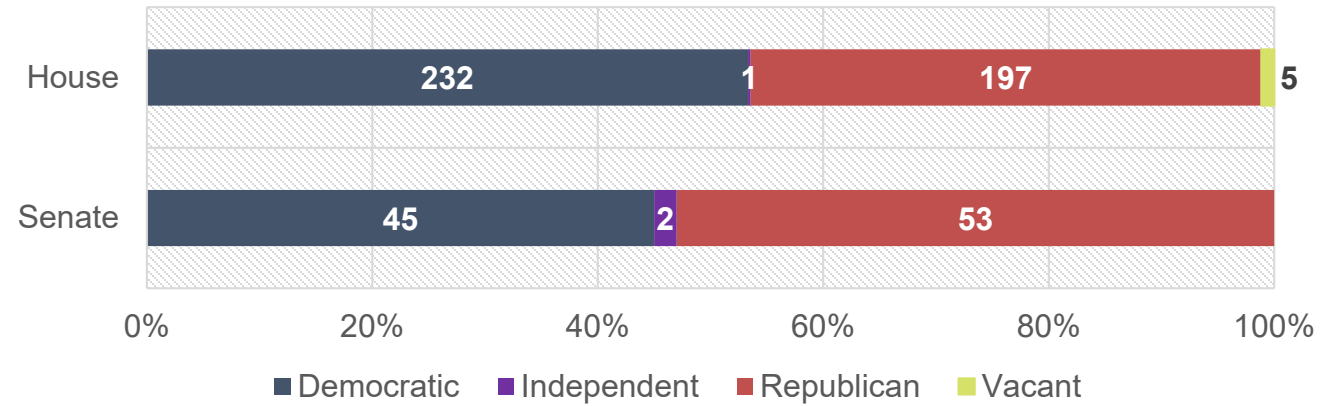
2021

Outlook

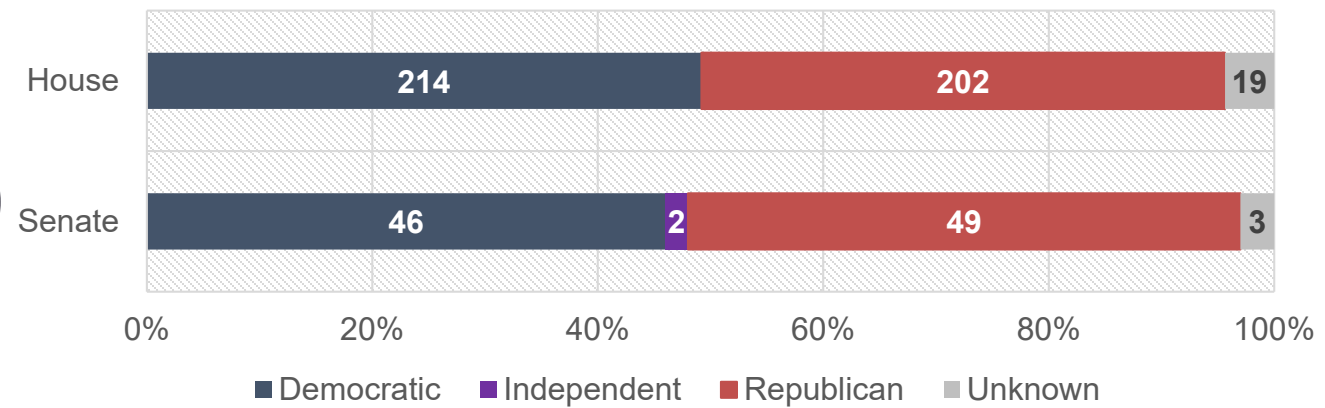
Election Shifts



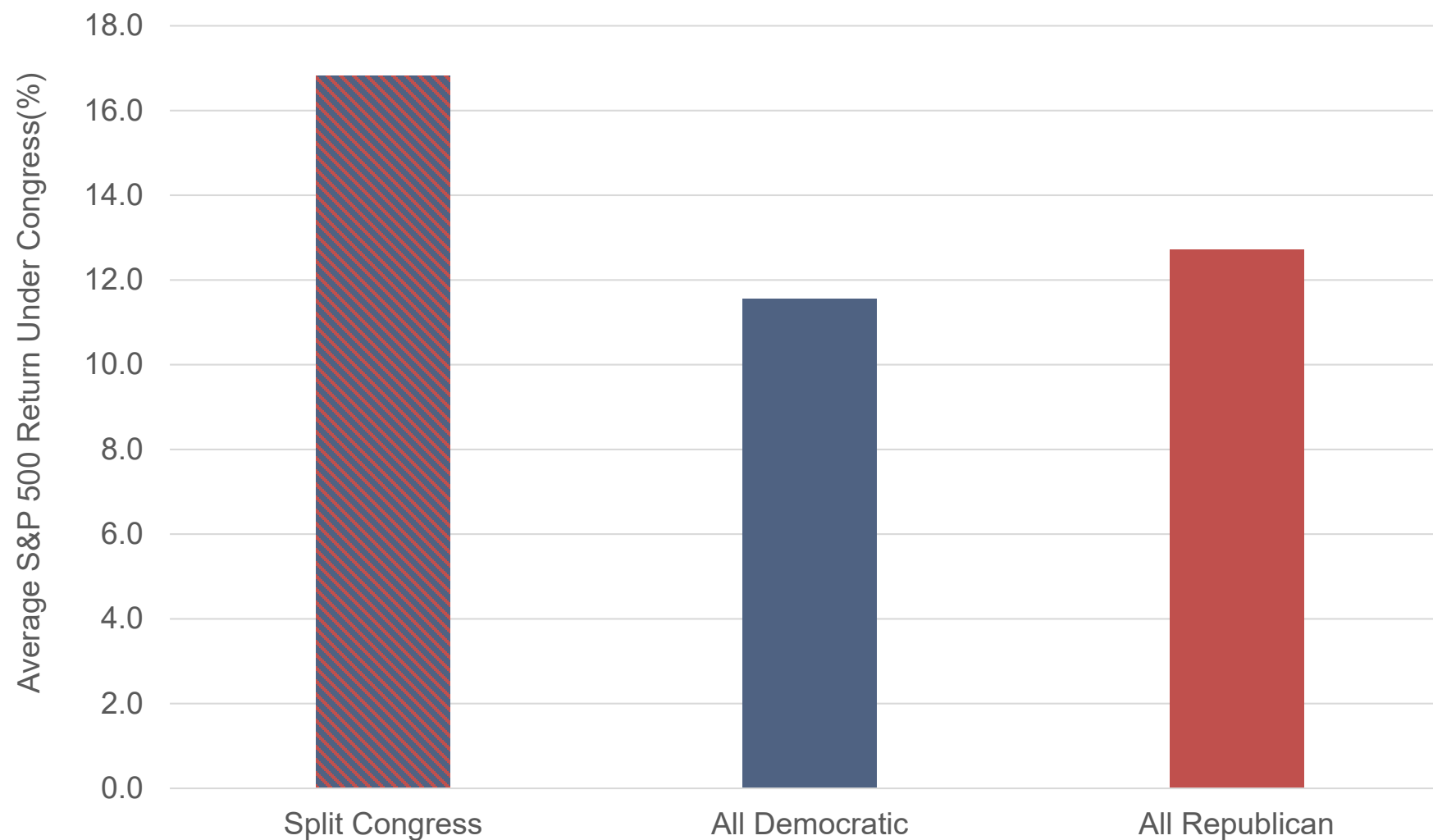
116th Congress



117th Congress



Market Does Well With Congressional Split



*1945-2020

See disclosures at end of document. Sources: Morningstar, Altair Advisers









Pending U.S. Power Alignment is Rare

President	Senate	House	Average Annual Return During Years of Control
Republican	Republican	Democratic	13.4%
Democratic	Democratic	Democratic	9.3%
Republican	Democratic	Democratic	4.9%
Democratic	Republican?	Democratic	N/A

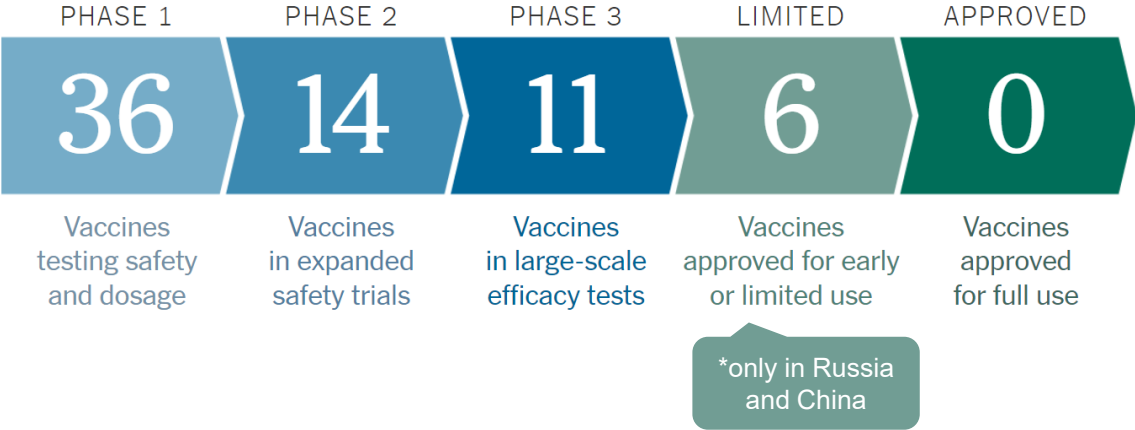
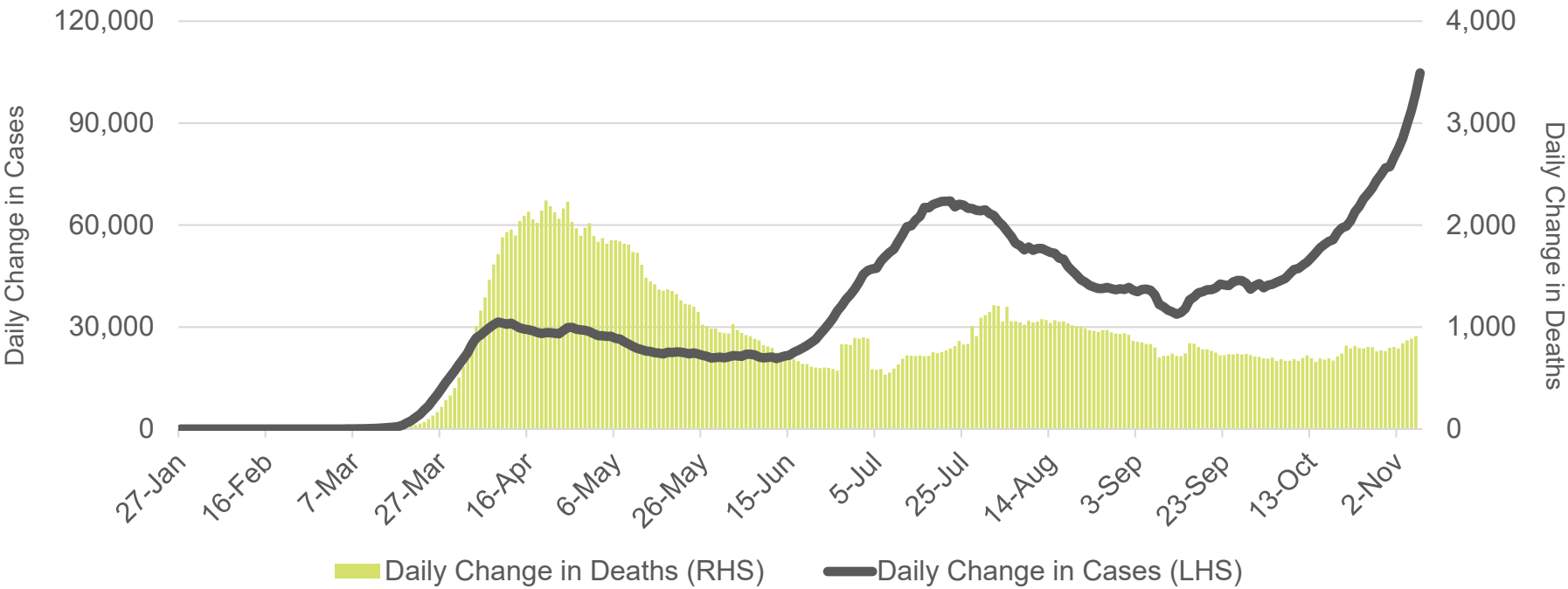


There has not been a Democratic president, Republican-controlled Senate and Democratic House since Grover Cleveland's first term as president from 1885-89. It is extremely rare for the Senate not to be aligned with either the House or the presidency post-election.

Ramifications of Election Outcome

	Likelihood	Why	Implications
 Stimulus		Intentions point to more fiscal stimulus, the size of which may depend on the final election outcome	Robust stimulus is better for stocks, mixed outcome for bonds
 Infrastructure		If Republicans maintain control of Senate, infrastructure spending likely lower	Slightly negative for stocks, positive for bonds
 Tax Increases		An increase to the corporate tax rate or highest income brackets is unlikely	Positive for stocks
 Trade Disputes		Trade disputes mostly de-escalate, China relationship uncertain	Weaker dollar, international stocks should benefit

Bridging to a Vaccine



To Recap

COVID-19 created an uneven recovery among businesses; some of these trends may end up being permanent.

The election's ramifications are not yet fully clear, but a divided Washington is usually positive for the stock market.

The economy should avoid a double-dip recession due to durable recoveries in key parts of the economy along with the Federal Reserve's pledge of staunch monetary support.

While it will take a vaccine to allow the economy to fully reopen, mitigating measures are reducing the disease's mortality rate and have helped many activities return

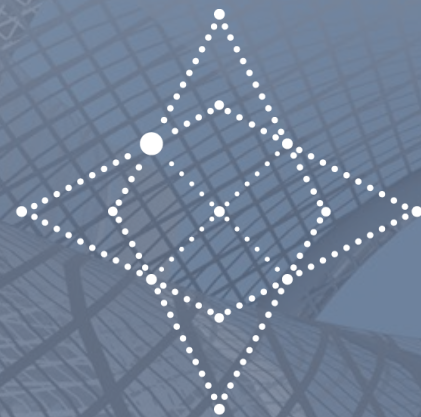
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